

# Arizona Health Care Cost Containment System

Manual: AHCCCS Contractors' Operations  
Manual

Effective Date: 8-1-06  
Revision Date:

Subject: SETTING AND ADJUSTING RATES  
FOR HOME AND COMMUNITY BASED  
SERVICES

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Authorized Signature:

## I. Purpose

### Scope

This policy establishes the standard procedures for rebasing and updating reimbursement rates for Home and Community Based Services provided to members enrolled in Fee-for-Service programs under the Arizona Long Term Care System consistent with ARS 36-2959 (B).

### Applicability

This policy applies to all HCBS fee-for-service rates whose establishment and maintenance are within the authority of the Director under A.R.S. Title 36, Chapter 29.

## II. Definitions

All terms used in this policy have the meanings prescribed by A.A.C. Title 9, Chapters 22 and 28.

## III. Policy

- A. The Arizona Health Care Cost Containment System (AHCCCS) rebases and updates rates for Home and Community Based Services (HCBS) as needed to recognize changes in the cost of providing such services.

The rates must be rebased at least once every five years per Arizona Revised Statute §36-2959. AHCCCS is committed to reimbursing services at rates that are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area.

Rates will be analyzed for their reasonableness and applicability to the AHCCCS population, for their consistency with rates for similar services, and for their practicability with respect to available budget, and a written recommendation of new rates will be submitted to Executive Management. Information used for the analysis may include but not be limited to the following:

- a. Published Medicare rates;
- b. Feedback from the AHCCCS Medical/Dental Directors;
- c. Feedback from contracted health plans;
- d. Feedback from AHCCCS providers;
- e. Rates in use in other states;
- f. Costs associated with the delivery of services, including programmatic, administrative and indirect costs in providing services in rural and urban Arizona;
- g. Any economic factors unique to Arizona;

- h. Current levels of supply and demand, including gaps in the delivery of critical services;
- i. Consultant rebase study on the adequacy and appropriateness of Title XIX reimbursement rates to service providers for the elderly and physically disabled program of the Arizona Long Term Care System;
- j. Survey information on wages paid and benefits offered to home care workers; and
- k. Reimbursement rates paid by other agencies in Arizona for similar services;
- l. Information from national cost and wage indices such as Global Insights and the Bureau of Labor Statistics.

**B. Fiscal impact analysis**

Wherever practicable, the fiscal impact of proposed rate updates will be estimated by the Reimbursement Unit and presented together with the recommended rates for Executive Management consideration.

**C. Executive Management approval**

All rate updates will be approved in writing by the Director or the Deputy Director prior to implementation.

**D. Documentation**

All final documents (both internally and externally created) used in rates analysis and determination will be kept on file for a period of five years within the Division of Health Care Management for purposes of facilitating future analyses and audits.

**E. Responsibility**

The Manager of the Reimbursement Unit is responsible for ensuring that all rate updates are performed in compliance with this policy.

**IV. References**

A.R.S. § 36-2903.01(B)(6)  
A.R.S. § 36-2903.01(H)  
A.R.S. § 36-2904(A)  
A.R.S. § 36-2904(B)  
A.R.S. § 36-2959(B)  
A.A.C. R9-22-710  
A.A.C. R9-22-712  
A.A.C. R9-28-708